

**EXHIBIT “B”**

**COMPLAINT FOR DAMAGES**

ENDORSED  
FILED

AUG -4 2015

David L. Yunasak, Clerk of the Superior Court  
County of Santa Clara, California  
By \_\_\_\_\_  
Deputy Clerk

1 SCOTT J. SAGARIA (BAR # 217981)  
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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 FOR THE COUNTY OF SANTA CLARA

10 LIMITED JURISDICTION > \$25,000.00

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CASE NO.

**115CV283956**

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CHRISTINA SERNA,

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Plaintiff,

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v.

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Experian Information Solutions, Inc.;  
Equifax, Inc.; TransUnion, LLC; Seventh  
Avenue, Inc.; Capital One, National  
Association; Ginny's, Inc.; Springleaf  
Financial Services, Inc.; Valley First Credit  
Union; Comenity, LLC; Steel Partners,  
Ltd.; Ad Astra Recovery Services, Inc.;  
Syndicated Office Systems, Inc.;  
Collections Management Systems, LLC  
and DOES 1 through 100 inclusive,

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Defendants.

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2 COMES NOW Plaintiff CHRISTINA SERNA, an individual, based on information and belief, to  
3 allege as follows:  
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### INTRODUCTION

6 1. This case arises under the Fair Credit Reporting Act, 15 U.S.C. § 1681s-2(b), California  
7 Consumer Credit Reporting Agencies Act, California Civil Code §1785.25(a), and  
8 California Business and Professions Code § 17200. Plaintiff seeks redress for the  
9 unlawful and deceptive practices committed by the Defendants in connection with their  
10 inaccurate reporting of Plaintiff's debt included in Plaintiff's Chapter 7 bankruptcy.

### JURISDICTION & VENUE

12 2. Plaintiff re-alleges and incorporates herein by this reference the allegations in each and  
13 every paragraph above, fully set forth herein.  
14 3. This Court has jurisdiction under California Civil Procedure Code §410.10  
15 4. This venue is proper pursuant to California Civil Procedure Code § 395.5  
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### GENERAL ALLEGATIONS

18 5. Plaintiff filed for Chapter 7 bankruptcy protection on October 30<sup>th</sup>, 2014 in order to  
19 reorganize and repair Plaintiff's credit. Plaintiff's Chapter 7 bankruptcy was  
20 discharged on February 9<sup>th</sup>, 2015.  
21 6. On April 30<sup>th</sup>, 2015 Plaintiff ordered a three bureau report from Equifax, Inc. to ensure  
22 proper reporting.  
23 7. Plaintiff noticed several tradelines all reporting misleading and or inaccurate late  
24 payments on the account and or listed the account as open, in collections, transferred  
25 and or charged off rather than discharged in Bankruptcy.  
26 8. In response Plaintiff disputed the inaccurate tradelines via certified mail with Experian  
27 Information Solutions, Inc.; Equifax, Inc.; and TransUnion, LLC.  
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- 1 9. Plaintiff is informed and believes that each credit reporting agency sent each
- 2 .. Defendant notification that plaintiff was disputing the accuracy of what it was reporting
- 3 to them.
- 4 10. Defendants Seventh Avenue, Inc.; Capital One, National Association; Ginny's, Inc.;
- 5 Springleaf Financial Services, Inc.; Valley First Credit Union; Comenity, LLC; Steel
- 6 Partners, Ltd.; Ad Astra Recovery Services, Inc.; Syndicated Office Systems, Inc. and
- 7 Collections Management Systems, LLC failed to conduct a reasonable investigation
- 8 and reported falsely to Experian Information Solutions, Inc.; Equifax, Inc; and
- 9 TransUnion LLC misleading and or inaccurate late payments on the account and or
- 10 listed the account as open, in collections, transferred and or charged off rather than
- 11 discharged in Bankruptcy.
- 12 11. Equifax, Inc. failed to perform its own reasonable investigation and failed to correct
- 13 the inaccuracies and failed to note that Plaintiff disputed the information. After the
- 14 statutory time period passed for Equifax, Inc. to update the report Plaintiff pulled a
- 15 second credit report and noticed that no updates had been made to the tradeline in
- 16 dispute.
- 17 12. Experian Information Solutions, Inc. failed to perform its own reasonable investigation
- 18 and failed to correct the inaccuracies and failed to note that Plaintiff disputed the
- 19 information. After the statutory time period passed for Experian Information Solutions,
- 20 Inc. to update the report Plaintiff pulled a second credit report and noticed that no
- 21 updates had been made to the tradeline in dispute.
- 22 13. TransUnion, LLC failed to perform its own reasonable investigation and failed to
- 23 correct the inaccuracies and failed to note that Plaintiff disputed the information. After
- 24 the statutory time period passed for TransUnion, LLC to update the report Plaintiff
- 25 pulled a second credit report and noticed that no updates had been made to the tradeline
- 26 in dispute.
- 27 14. On June 26<sup>th</sup>, 2015 Plaintiff ordered a second three bureau report from Equifax, Inc. to
- 28 ensure proper reporting.

- 1 15. Plaintiff's account was in dispute but the furnisher; Experian Information Solutions,
- 2 Inc.; Equifax, Inc.; and TransUnion, LLC failed to correct the misleading and or
- 3 inaccurate statements on the account within the statutory time frame or at all.
- 4 16. The credit bureaus have an obligation to delete the tradeline when a response is not
- 5 received by the furnisher within the statutory time frame.
- 6 17. The actions of the Defendants as alleged herein are acts in violation of the Fair Credit
- 7 Reporting Act, 15 U.S.C. § 1681s-2(b).
- 8 18. The actions of the Defendants as alleged herein are acts in violation of the consumer
- 9 credit reporting agencies act California Civil Code § 1785.25(a).
- 10 19. The actions of the Defendant as alleged herein are acts in violation of the California
- 11 Business and Professions Code § 17200.
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13 **FIRST CAUSE OF ACTION**  
14 (Violation of Fair Credit Reporting Act  
15 15 U.S.C. § 1681s-2(b))  
16 (Against Defendants and Does 1-100)

17 **Experian Information Solutions, Inc.; Equifax, Inc. and TransUnion, LLC- Failure to**  
18 **Reinvestigate Disputed Information.**

- 19 20. Plaintiff realleges and incorporates herein the allegation in each and every paragraph
- 20 above as though fully set forth herein.
- 21 21. After plaintiff disputed the accounts mentioned above, defendants Experian Information
- 22 Solutions, Inc.; Equifax, Inc. and TransUnion, LLC were required to conduct a
- 23 reasonable investigation and to delete any information that was not accurate. In doing so,
- 24 defendants were required to send all relevant information to the furnishers which they did
- 25 not do. Defendants failed to correct the misleading and or inaccurate statements on the
- 26 account within the statutory time frame or at all.

27 **Seventh Avenue, Inc.; Capital One, National Association; Ginny's, Inc.; Springleaf**  
28 **Financial Services, Inc.; Valley First Credit Union; Comenity, LLC; Steel Partners, Ltd.;**  
**Ad Astra Recovery Services, Inc.; Syndicated Office Systems, Inc. and Collections**  
**Management Systems, LLC – Reporting Inaccurate Information to Defendants Experian**  
**Information Solutions, Inc.; Equifax, Inc. and TransUnion, LLC and Failure to**  
**Reinvestigate.**

1           22. Plaintiff realleges and incorporates herein the allegation in each and every paragraph  
2           above as though fully set forth herein.  
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4           23. 15 USC 1681s-2 prohibits furnishers from providing any information relating to a  
5           consumer to any consumer reporting agency if the person knows or has reasonable  
6           cause to believe that the information is inaccurate or misleading and requires a  
7           furnisher to update and or correct inaccurate information after being notified by a  
8           consumer reporting agency of a dispute by a consumer.  
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10          24. Defendants Seventh Avenue, Inc.; Capital One, National Association; Ginny's, Inc.;  
11          Springleaf Financial Services, Inc.; Valley First Credit Union; Comenity, LLC; Steel  
12          Partners, Ltd.; Ad Astra Recovery Services, Inc.; Syndicated Office Systems, Inc. and  
13          Collections Management Systems, LLC violated section 1681s-2 by failing to conduct  
14          a reasonable investigation and re-reporting misleading and or inaccurate late payments  
15          on the account and or listed the account as open, in collections, transferred and or  
16          charged off rather than discharged in Bankruptcy. Defendants Experian Information  
17          Solutions, Inc.; Equifax, Inc. and TransUnion, LLC provided notice to the defendants  
18          that Plaintiff was disputing the inaccurate or misleading information but each of the  
19          furnishers failed to conduct a reasonable investigation of the information as required by  
20          the FCRA.  
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24           **SECOND CAUSE OF ACTION**  
25          (Violation of California Consumer Credit Reporting Agencies Act  
26            California Civil Code § 1785.25(a))  
27            (Against Defendants and Does 1-100)

28          Seventh Avenue, Inc.; Capital One, National Association; Ginny's, Inc.; Springleaf  
Financial Services, Inc.; Valley First Credit Union; Comenity, LLC; Steel Partners, Ltd.;  
Ad Astra Recovery Services, Inc.; Syndicated Office Systems, Inc. and Collections

1      **Management Systems, LLC – Reporting Inaccurate Information to Defendants Experian**  
2      **Information Solutions, Inc.; Equifax, Inc. and TransUnion, LLC.**

3      25. Plaintiff realleges and incorporates herein the allegation in each and every paragraph  
4      above as though fully set forth herein.

5      26. Defendants Seventh Avenue, Inc.; Capital One, National Association; Ginny's, Inc.;  
6      Springleaf Financial Services, Inc.; Valley First Credit Union; Comenity, LLC; Steel  
7      Partners, Ltd.; Ad Astra Recovery Services, Inc.; Syndicated Office Systems, Inc. and  
8      Collections Management Systems, LLC intentionally and knowingly reported  
9      misleading and or inaccurate late payments on the account and or listed the account as  
10     open, in collections, transferred and or charged off rather than discharged in  
11     Bankruptcy to Experian Information Solutions, Inc.; Equifax, Inc.; and TransUnion,  
12     LLC. Plaintiff alleges that Creditors re-reported misleading and or inaccurate late  
13     payments on the account and or listed the account as open, in collections, transferred  
14     and or charged off rather than discharged in Bankruptcy to Experian Information  
15     Solutions, Inc.; Equifax, Inc.; and TransUnion, LLC in violation of California Civil  
16     Code § 1785.25(a).

17     27. Plaintiff also alleges that Creditors had reason to know that the information reported  
18     on Plaintiff's accounts were misleading and or inaccurate.

19     28. Plaintiff alleges that the bankruptcy notices, disputes letters from all three credit  
20     reporting agencies, the consumer data industry resource guide, and results of its  
21     investigation should have provided notice to Defendants of its misleading and or  
22     inaccurate reporting.

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1 29. Creditors failed to notify Experian Information Solutions, Inc.; Equifax, Inc. and  
2 TransUnion, LLC that the information Defendants re-reported was inaccurate before  
3 the end of 30 business days, in violation of California Civil Code § 1785.25(a).  
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5 30. Creditor's communications of false information, and repeated failures to investigate,  
6 and correct their inaccurate information and erroneous reporting were done knowingly,  
7 intentionally, and in reckless disregard for their duties and Plaintiff's rights.  
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9 31. As a direct and proximate result of Creditor's willful and untrue communications,  
10 Plaintiff has suffered actual damages including but not limited to inability to properly  
11 reorganize under Chapter 7, reviewing credit reports from all three consumer reporting  
12 agencies, time reviewing reports with counsel, sending demand letters, diminished  
13 credit score, and such further expenses in an amount to be determined at trial.  
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15 32. Wherefore, Plaintiff prays for judgment as hereinafter set forth.  
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17 **THIRD CAUSE OF ACTION**  
18 (Unfair Business Practices Act  
19 California Business and Professions Code § 17200)  
20 (Against Defendant Creditors and Does 1-100)  
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22 58. Plaintiff re-alleges and incorporates herein by this reference the allegations in each and  
23 every paragraph above, as though fully set forth herein.  
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59. Plaintiff brings this action in individual capacity and on behalf of the general public.  
60. Creditors at all times relevant to this Complaint were engaged in the business of  
61. collections and providing services on credit to qualified applicants.  
62. Commencing on or about October 30<sup>th</sup>, 2014 and continuing to the present, Creditors  
63 committed the acts of unlawful practices as defined by Business and Professions Code  
64 § 17200 and described in the above stated Causes of Action.  
65

66 62. These unlawful business practices of the Creditors are likely to continue and therefore  
67 will continue to injure Plaintiff and mislead the public by inaccurate record keeping,  
68 failure to correct inaccuracies and erroneous dissemination of inaccurate information,  
69 and present a continuing threat to the public.  
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1       63. Creditor's acts and practices described above were unlawful under the California Civil  
2       Code § 1785.25(a) and therefore unlawful business practices within the meaning of  
3       Business and Professions Code § 17200.

4       65. Wherefore, Plaintiff prays for judgment as hereinafter set forth.

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7       **PRAYER FOR RELIEF**

8       WHEREFORE, Plaintiff prays for judgment as follows:

9       a. For preliminary and permanent injunctive relief to stop Defendants from  
10       engaging in the conduct described above;

11       b. Award statutory and actual damages pursuant to 15 U.S.C. § 1681n and  
12       California Civil Code § 1785.31;

13       c. Award punitive damages in order to deter further unlawful conduct pursuant to  
14       15 U.S.C. § 1681n; and California Civil Code § 1785.31

15       d. Award \$2,500 in civil penalties pursuant to California Business & Professions  
16       Code § 17206;

17       e. Award attorney's fees and costs of suit incurred herein pursuant to 15 U.S.C. §  
18       1681n & o; California Civil Code § 1785.31;

19       f. For determination by the Court that Creditor's policies and practices are  
20       unlawful and in willful violation of 15 U.S.C. § 1681n, et seq.; and California  
21       Business and Professions Code § 17200, et seq.;

22       g. For determination by the Court that Creditor's policies and practices are  
23       unlawful and in negligent violation of 15 U.S.C. § 1681o;

24       **SAGARIA LAW, P.C.**

25       Dated: July 14, 2015

26       By: \_\_\_\_\_

27       Scott Sagaria, Esq.  
28       Elliot Gale, Esq.  
29       Attorneys for Plaintiff

30       **DEMAND FOR JURY TRIAL**

1 Plaintiff hereby demands trial of this matter by jury.  
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6 Dated: July 14, 2015

SAGARIA LAW, P.C.

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/s/ Elliot Gale  
Scott Sagarria, Esq.  
Elliot Gale, Esq.  
Attorneys for Plaintiff

